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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

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IN REPLY, REFER TO:

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Honorable Steven C. Gunderson  
House of Representatives  
2235 Rayburn House Office Bldg.  
Washington, DC 20515-4903

*93-253*

Dear Congressman Gunderson:

This is in response to your letter of September 22, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You and your constituent, Jeff Raymond, express concern that the Commission might limit or preclude exchange carriers, particularly in rural areas, from offering PCS.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314. Our decision allocates 120 megahertz of spectrum for licensed PCS, and permits telephone companies without cellular interests to access up to 40 megahertz of this spectrum (the maximum authorized to any one licensee). Telephone companies with cellular interests will be restricted to 10 megahertz in a PCS service area in which they own twenty or more percent of the stock in a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations.

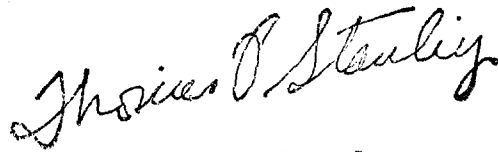
The Commission also decided to adopt Basic Trading Areas (BTAs) and Major Trading Areas (MTAs) for service areas; 60 megahertz of spectrum were allocated for BTAs and 60 megahertz for MTAs. There are 492 BTAs and 51 MTAs for licensing purposes. The Commission concluded that BTAs are representative of likely PCS markets in which local communications will take place, and that MTAs will provide the economies of scale and scope necessary to promote development of low cost PCS equipment. In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission proposed licensing preferences in 30 megahertz of the BTA spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women.

Honorable Steven C. Gunderson

2.

The Commission's actions that address PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators, and to ensure the expeditious provision of PCS in both urban and rural areas. I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that more fully describe the Commission's actions.

Sincerely,

A handwritten signature in cursive script, reading "Thomas P. Stanley".

Thomas P. Stanley  
Chief Engineer

Enclosures

STEVE GUNDERSON  
3D DISTRICT, WISCONSIN

MEMBER:  
AGRICULTURE COMMITTEE  
EDUCATION AND LABOR  
COMMITTEE



**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-4903

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September 22, 1993

The Honorable James Quello  
Chairman  
Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, D.C. 20554

Dear Chairman Quello:

As you will note from the enclosed letter copy from Mr. Jeff Raymond, Manager of Badger Telecom, Inc., he has a genuine concern about the Federal Communication Commission (FCC) hindering or handicapping the local exchange carriers from fully and equally participating in the provisioning of PCS/PCN services in its serving areas.

Mr. Raymond presents his concerns as a small company which serves rural America and wants to be allowed an equal opportunity to provide PCS/PCN services.

If the licensing structure, as currently being considered by the FCC, is limited to a small number of large service areas, the cost of entry will effectively preclude smaller, rural providers from even participating in the auction. This is likely to lead to rural areas being underserved and undeveloped with regard to telecommunication technology.

I encourage you to adopt a licensing structure that will guarantee rural America the opportunity to enjoy the benefits of modern wireless technology.

Best regards,

Steve Gunderson  
Member of Congress

SG:jj

Enclosure (1)

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## TDS TELECOM

Badger Telecom, Inc.

August 25, 1993

MR. WILLIAM CATON  
ACTING SECRETARY  
FEDERAL COMMUNICATIONS COMMISSION  
1919 M STREET, N. W., 2ND FLOOR  
WASHINGTON D.C. 20554

Dear Mr. Caton:

On behalf of the customers, employees and myself of Badger Telecom, Inc., I wish to express my concerns about the Federal Communications Commission, giving serious consideration to either precluding or handicapping exchange carriers from offering PCS/PCN services.

In the past, your organization has consistently taken the position that the exchange carriers, such as Badger Telecom, are exceptionally well qualified to provide radio based telecommunications services (i.e. cellular) to local subscribers. Exchange carriers have the technical expertise, resources and the local distribution network necessary for low cost and rapid deployment of PCS in their respective serving areas.

Throughout time we have proven that we can work together to create and operate the present telecommunications network through appropriate business arrangements.


In this year's budget reconciliation bill, Congress has specifically mandated that the FCC shall "Ensure that small businesses, rural telephone companies... be given the opportunity to participate in the provision of spectrum-based services..." It is extremely important that the exchange carriers, such as Badger Telecom, have an equal opportunity in participating in these types of services.

Allowing the exchange carriers participation in the provisioning of PCS in our serving areas, there are several potential benefits that may evolve from this:

- 1) This would continue the goal of the Commission and the exchange carriers to continue providing universal service obligations.
- 2) This would give us the opportunity to expand and enhance radio based services to rural and isolated areas.
- 3) Increase and compliment utilization of the local network infrastructure.
- 4) Because much of the local distribution network is already in place with the exchange carriers, duplication of networks could be prevented.

Mr. Caton, I would urge you and your organization to keep the playing field level and allow us an equal opportunity to provide PCS/PCN services to our customers. This would allow us to assist the economic growth in rural America through a modern telecommunication system.

Sincerely,

  
Jeff Raymond  
Manager